SYNOPSIS

"The Growth of Investment in Real Estate by Middle Income Group: An analysis of Kalyan-Dombivali Muncipal Corporation"

Synopsis submitted to

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Introduction:

Kalyan-Dombivli has been successfully completed the competitive process of 'Smart City Challenge and its has been shortlisted as one of the 98 smart cities under Ministry of Urban Development (MoUD). Smart Cities focus on their most pressing needs and on the greatest opportunities to improve lives. They tap a range of approaches - digital and information technologies, urban planning best practices, public-private partnerships, and policy change - to make a difference.The approach to the Smart Cities Mission, the objective is to promote cities that provide core infrastructure and give a decent quality of life to its citizens, a clean and sustainable environment and application of 'Smart' solutions. The focus is on sustainable and inclusive development and the idea is to look at compact areas, create a replicable model which will act like a light house to other aspiring cities. The Smart Cities Mission is meant to set examples that can be replicated both within and outside the Smart City, catalyzing the creation of similar Smart Cities in various regions and parts of the country.

Investment in real estate is an asset which is rewarded to the investors from wide range. The reason for this being, that the Real estate prices do not fluctuate as much as stock prices keeping the money of investor safe and give good returns.

Real estate is a special instance of real property, which is real estate – land and buildings the rights of use and enjoyment that come with the land and its improvements. Real estate land acquisition, construction, design, project management as well as leasing facilities. Those who invest in real estate also expect to generate capital gains as property values increase over time. **Residential real estate** is a type of property, containing either a single family or

multifamily structure, that is available for occupation for non-business purposes. Residences can be classified by, if, and how they are connected to neighboring residences and land. Different types of housing tenure can be used for the same physical type. For example, connected residents might be owned by a single entity and leased out, or owned separately with an agreement covering the relationship between units and common areas and concerns.

Commercial Real Estate

Buying or leasing real estate for commercial purposes is very different from buying a home or even buying residential real estate as an investment. Commercial leases are generally longer than residential leases, and commercial real estate returns are based on their profitability per square foot, unlike structures intended to be private residences. Moreover, lenders may require more money for a down payment on a mortgage for commercial real estate than for a home loan

There are key differences in residential and commercial direct real estate investments. On one hand, residential real estate is usually less expensive and smaller than commercial real estate, and so it is more affordable for the small investor. Many thrifty small investors of modest means have increased their and their family's fortunes by buying rental property over decades.

Scope of Study:

Real estate investing involves the purchase, ownership, management, rental and/or sale of real estate for profit. Improvement of realty property as part of a real estate investment strategy is generally considered to be a sub-specialty of real estate investing called real estate development. Real estate is an asset form with limited liquidity relative to other investments, it is also capital intensive and is

highly cash flow dependent. If these factors are not well understood and managed by the investor, real estate becomes a risky investment. The study reflects the changing mindset of the investors of middle income groups towards real estate in which maximum and guaranted returns are expected, the study also show how the people had changed their preference from low budget residential to high and luxurious residential project, study also highlights the reasons for the change from traditional to ultra modern projects.

Objectives of the Study

1. To analyse the reason behind the increasing trend of investment in real estate.
2. To study the impact of Internal and External Environment including Government role in the development of real estate.
3. To understand the requirements of new investors towards real estate.
4. To evaluate the traditional approach and modern approach of investors.

Hypothesis

In addition to the objectives framed above the study revolves around the following hypothesis

1. H1 where all the Investors have the same bracket of earning and saving income
2. H2 : All the investors are not having same earnings and saving income.
3. H0 : Every Investor wants to invest in the Real estate market.

Methods of Study:

The study is an exploratory type of research trying to study the financial roots of middle income groups in India with special reference to kalyan Dombivili region. The method selected for the study is prominently economical-financial

and descriptive. Qualitative data in terms of interviews are used for exploring the investing mindset and understanding the aspect of investment in real estate particular. The economical aspect of the investing method transcends the formalism for the purpose of an empirical enquiry. Various publications of the Government on Real estate investment, news paper articles, reports and journals studying and analyzing the theme of the research. The information is also sought from the publications of regional organisations and groups, and also from other collections like press notes, pamphlets, memoranda, souvenirs etc.

Data is also collected from various library sources and documentation centres in the form of books, journals published and unpublished theses etc.

Certain quantitative data is compiled by accessing information from the Internet. Information by interviewing people from different walks of life like businessman, service class people with the help of structured and unstructured questionnaires. These qualitative data was used to verify the information given in the published documents. The research has attempted to know the income background for the development of infrastructure and housing etc.

Review of Literature

Real Estate development is a large industry and major shaper of the built environment whose structure has implications for the form and structure of cities, for sustainability and for power relations with industry regulators. This article investigates the nature of the development industry structure and suggests that it is not necessarily competitive and, in some instances, can be highly oligopolistic. It discusses factors including industry regulation (planning), that may shape structure. This discussion further suggests that the industry is not competitive and that it is likely to concentrate further.

Turner in his book The Book on Rental Property Investing analyses Cash flow and wealth don't happen overnight. But if you are willing to work hard and invest smart, this book is designed to help you achieve your financial goals through the power of rental properties. This book will give you practical, real-world advice for those looking to build wealth and cash flow through rental properties.

Recent Trends in Real Estate Marketing in India, writes about the contribution of IT Sector to fast growth of real estate sector in India. He highlighted that the

expansion of Indian IT industry impacted profoundly the real estate industry. Highly paid young IT professionals led the boom by buying into high priced apartments in major IT centers across the country. The consequential rise in prices and boom leaves him wondering about the sustainability of the whole growth rate

Period of study:
The study also requires a moderate period so as to arrive at meaningful and purposeful inferences. Consequently, a six year period beginning with the financial year 2008-09 and ending with 20 1 3-1 4 is adopted.

Limitation of the study:

The study is confined to private sector only. The sample size is also limited in view of the constraints of time and finance on the part of the researcher.

The tentative Layout of the Report (Chapter wise) :

1. Introduction

    1.1Introduction to Real Estate Development

2. Methodology
3. Objectives
4. Limitations
5. Conclusion
6. Appendix
7. Bibliography
8. Table and contents

Research Guide
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